

FILED

NOV 2 1999

**SETTLEMENT AGREEMENT**

PEGGY B. DEANS, CLERK  
U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF N.C.

This Settlement Agreement entered into this \_\_\_\_ day of June, 1999, by and among Holmes P. Harden, Chapter 7 Trustee of International Heritage, Inc. and International Heritage, Incorporated ("Harden"), Stanley H. Van Etten ("Van Etten"), Mayflower Holdings, Inc., Mayflower Venture Capital, LLC, Mayflower Aviation, LLC, Mayflower Capital, LLC, and Mayflower Hunt Club (the "Mayflower Companies");

Whereas, Van Etten and some of the Mayflower Companies have asserted certain claims in the International Heritage, Inc. and International Heritage, Incorporated bankruptcy cases pending in the United States Bankruptcy Court for the Eastern District of North Carolina;

Whereas, Harden believes that certain claims may exist against Van Etten and the Mayflower Companies, including but not limited to avoidance actions;

Whereas, Van Etten and the Mayflower Companies deny that any claims exist against them and for the benefit of Harden;

Whereas, Harden, Van Etten and the Mayflower Companies desire to resolve any and all claims among them, without admitting or denying any liability;

Now therefore, in exchange for valuable consideration, including the mutual covenants contained herein, and without admitting or denying any liability, the parties agree as follows:

1. Harden shall release Van Etten and the Mayflower Companies from any and all claims and causes of action accrued through the date of this Settlement Agreement;
2. Van Etten and the Mayflower Companies will waive any and all claims against International Heritage, Inc., International Heritage, Incorporated (the "Debtors"), property of the Debtors, Holmes P. Harden, Trustee and their agents, attorneys, successors or assigns relating to the Debtors accrued through the date of this Settlement Agreement, including, but not limited to claims of contribution or indemnification; provided, however, that Van Etten shall retain the right to assert claims against the insurance proceeds from TIG and Executive Risk and Harden shall retain the right to object to such claims;
3. Van Etten and the Mayflower Companies shall assign their rights and interests in the bond posted in the action filed by the Securities and Exchange Commission in the United States District Court for the Northern District of Georgia, and the bond collateral, including any bond reversion interests to Harden;
4. Van Etten shall transfer all unencumbered and currently owned shares of common stock and options of International Heritage, Incorporated, a Nevada Corporation, including but not limited to 361,022 shares of stock and 5,541,800 options, to Harden;
5. Van Etten and the Mayflower Companies shall enter into a Consent Judgment or Consent Judgments in an adversary proceeding(s) to be brought by Harden to avoid any and all security interests in the Debtors' assets;

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6. Van Etten shall verify a final set of Statement of Financial Condition, including Exhibits, prepared pursuant to the request of the Securities and Exchange Commission and submit the same to Harden;

7. Van Etten will agree to cooperate with the Trustee in the administration of the Debtors' estates, including but not limited to giving testimony, attending hearings, mediations or other judicial proceedings; if requested by Van Etten or his counsel, the Trustee shall issue a subpoena requiring Van Etten's attendance, testimony, etc.; Van Etten agrees that service of said subpoena on his counsel Brent E. Wood, via telecopier, shall constitute good service, and if requested, Wood shall execute an acceptance of service for same;

8. Van Etten shall assign any and all rights he or any company with which he is affiliated has or may have against BTI relating to the marketing of BTI long distance calling cards;

9. Van Etten and the Mayflower Companies shall verify that the only inventory, equipment, furniture or fixtures he or they may have in their possession, which was transferred to them by the Debtors by way of set off prior to the Debtors' petition date is the property contained within the list attached as Exhibit A; Harden reserves the right to seek the recovery of any property: (a) transferred to Van Etten and/or the Mayflower Companies by the Debtors by way of set-off prior to the Debtors' petition date and (b) not disclosed within Exhibit A;

10. Van Etten shall cooperate with Harden or his counsel in preparing for avoidance actions against third parties including, but not limited to the giving of testimony regarding the solvency/insolvency of the Debtors; Van Etten or his counsel may request that his attendance or testimony be produced by subpoena; Van Etten's counsel, Brent E. Wood, will accept, and has authority to accept, service of such subpoena;

11. Van Etten shall withdraw his objection to the Trustee's Application to Enter into Stipulation and Consent to Final Judgment of Permanent Injunction; however, Van Etten will not withdraw his objection to the Trustee's waiver of the Debtors' attorney-client privilege; Furthermore, Van Etten will not waive his attorney-client privilege; Van Etten will waive argument relating to his objection to the Trustee's waiver of the attorney-client privilege; and


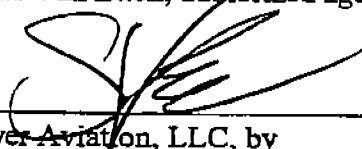
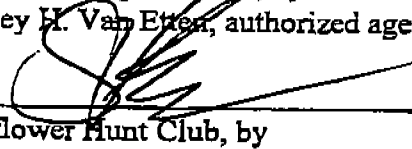

12. This agreement is contingent upon a corresponding settlement between Van Etten and the Securities and Exchange Commission and a settlement between the Securities and Exchange Commission and the Debtors which have been approved by both the Bankruptcy Court and the Securities and Exchange Commission.



Mayflower Holdings, Inc., by  
Stanley H. Van Etten, authorized agent



Holmes P. Harden  
Chapter 7 Trustee for  
International Heritage, Inc. and  
International Heritage, Incorporated

  
\_\_\_\_\_  
Mayflower Venture Capital, LLC, by  
Stanley H. Van Etten, authorized agent  
\_\_\_\_\_  
Mayflower Aviation, LLC, by  
Stanley H. Van Etten, authorized agent  
\_\_\_\_\_  
Mayflower Capital, LLC, by  
Stanley H. Van Etten, authorized agent  
\_\_\_\_\_  
Mayflower Hunt Club, by  
Stanley H. Van Etten, authorized agent  
\_\_\_\_\_  
Brent E. Wood  
Attorney for Stanley H. Van Etten  
\_\_\_\_\_  
Stanley H. Van Etten

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**Stan Van Etten  
Asset Purchase  
(Mayflower)**

**Furniture**

Qty	Description	Cost	Extended Cost
1	2 Drawer Mahogany Standard File	\$170.00	\$ 170.00
1	Wooden Plant Stand	\$ 20.00	\$ 20.00
4	Potted Natural Plants	\$ 15.00	\$ 60.00
1	Silk Plant	\$ 15.00	\$ 15.00
1	Mahogany End table	\$ 95.00	\$ 95.00
1	Mahogany Coffee Table	\$100.00	\$ 100.00
1	32" Mahogany Cabinet	\$125.00	\$ 125.00
4	Desk Lamps	\$ 40.00	\$ 160.00
1	5 Shelf Wooden Bookcase	\$150.00	\$ 150.00
1	3 Shelf Wooden Bookcase	\$100.00	\$ 100.00
3	Wooden Bookshelves with Cabinets	\$175.00	\$ 525.00
6	2 Drawer Mahogany Lateral File	\$185.00	\$ 1,110.00
1	Bulletin Board	\$ 5.00	\$ 5.00
6	Framed Prints	\$ 30.00	\$ 180.00
1	Printer Stand	\$ 25.00	\$ 25.00
1	Table Lamp	\$ 5.00	\$ 5.00
8	Wooden Blinds	\$ 80.00	\$ 640.00
2	52" Metal 4 Drawer Lateral File Cabinets	\$200.00	\$ 400.00
<b>SUBTOTAL</b>			\$ 3,885.00
<b>TOTAL (ALL CATEGORIES)</b>			\$ 3,885.00
			\$ 21,676.50
			\$ 183.00
			\$ 325.00
			<u>\$ 26,069.50</u>



DEBTOR(S) (LAST NAME FIRST) AND ADDRESS(ES) International Heritage, Inc. 2626 Glenwood Ave., Ste. 200 Raleigh, NC 27608	PARTY REQUESTING INFORMATION OR COPIES James T. Johnson 1305 Navaho Drive PO Box 17529 Raleigh, NC 27619-17529	FILED 8390 1999 OCT 28 AM 11: 24 FOR FILING OFFICER JAMES F. MARSHALL SECRETARY OF STATE NORTH CAROLINA 10/15/99
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☒ (1) INFORMATION REQUEST: Filing Officer please furnish certificate showing whether there is on file as of the date and hour of filing any financing statement, and the names and addresses of each party named therein. The undersigned party further agrees to pay to the Filing Officer, upon receipt of the above certificate, the statutory fee for each Financing Statement and each Statement of Assignment reported on the certificate.

FILE NO.	DATE AND HOUR OF FILING	NAME AND ADDRESS OF SECURED PARTY
	<b>PRINT OUT ATTACHED</b> <b>14 PAGE/S</b>	ACSTAR INSURANCE CO. 233 Main Street New Britain, CT 06050-2350

The undersigned Filing Officer hereby certifies that the above listing is a record of all presently effective Financing Statements and Statements of Assignment which name the above debtor, and which are on file in my office as of \_\_\_\_\_, 19\_\_\_\_ at \_\_\_\_\_ M.

Additional fee required \$ \_\_\_\_\_ Dated this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_\_\_ (SIGNATURE OF FILING OFFICER)

☐ (2) a ☐ COPY REQUEST: Filing Officer please furnish exact copies of all presently effective Financing Statements and Statements of Assignments Naming the above debtor, which are on file with your office. Upon receipt of these copies, the undersigned party agrees to pay to the Filing Officer the statutory fee for such copies.  
b ☐ SPECIFIC COPY REQUEST: Filing Officer please furnish exact copies of the Financing Statements listed below.

FILE NO.	DATE AND HOUR OF FILING	NAME AND ADDRESS OF SECURED PARTY

The undersigned Filing Officer hereby certifies that the attached \_\_\_\_\_ sheets are true and exact copies of all presently effective Financing Statements and Statement of Assignment which name the above debtor and which are on file in my office as of \_\_\_\_\_, 19\_\_\_\_ at \_\_\_\_\_ M.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_\_\_ (SIGNATURE OF FILING OFFICER)



Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: SUITE 200

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199859480 Filing Date: 08/24/1998 04:02 PM Expiration Date: 08/24/2003 12:00 A

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**Secured Party(s)**

1. Name: UBS ZUERICH

Name2:

Address1: BAHNHOFSTRASSE 45

Address2: POSTFACH CH 4021

City: ZURICH

State: XX

Zip: XXXXX-

Country: XX

Secured Party

Commercial

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Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: #200

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199876182 Filing Date: 10/15/1998 10:00 AM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: LOIS COONC

Name2:

Address1: PO BOX 699

Address2:

City: LACONNER

State: WA

Zip: 98257-

Country: US

Secured Party

Personal

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Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: #200

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199876184 Filing Date: 10/15/1998 10:00 AM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: J C FAULHABER

Name2:

Address1: 925 SOUTH 4TH

Address2:

City: LACONNER

State: WA

Zip: 98257-

Country: US

Secured Party

Personal

---

Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: SUITE 200

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199876185 Filing Date: 10/15/1998 10:00 AM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: MAYFLOWER CAPITAL LLC

Name2:

Address1: 2626 GLENWOOD AVE

Address2: SUITE 100

City: RALEIGH

State: NC

Zip: 27608-

Country: US

Secured Party

Commercial

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Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: #200

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199876183 Filing Date: 10/15/1998 10:00 AM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: JEAN WEDIN

Name2:

Address1: PO BOX 1600

Address2:

City: LACONNER

State: WA

Zip: 98257-

Country: US

Secured Party

Personal

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Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: #200

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199876181 Filing Date: 10/15/1998 10:00 AM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: PAMELA JOHNSON

Name2:

Address1: 18488 BEST ROAD

Address2:

City: MOUNT VERNON

State: WA

Zip: 98273-

Country: US

Secured Party

Personal

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Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: STE 200

City: RALEIGH

State: NC

Zip: 27608-

County:

Filing Id: 1346396

Filing Date: 06/04/1996 08:00 AM Expiration Date: 06/04/2001 12:00 A

**Secured Party(s)**

1. Name: COECO  
Name2:  
Address1: 2525 ATLANTIC AVENUE  
Address2:  
City: RALEIGH State: NC Zip: 27604- Country: US  
Secured Party Full Commercial
2. Name: BUSINESS CREDIT LEASING  
Name2:  
Address1: 115 W COLLEGE DR  
Address2:  
City: MARSHALL State: MN Zip: 56258- Country: US  
Assignee Partial Commercial

Filing Id: 1450793

Filing Date: 04/15/1997 09:30 AM Expiration Date: 04/15/2002 12:00 A

**Secured Party(s)**

1. Name: COECO  
Name2:  
Address1: 2525 ATLANTIC AVENUE  
Address2:  
City: RALEIGH State: NC Zip: 27604- Country: US  
Secured Party Full Commercial
2. Name: BUSINESS CREDIT LEASING  
Name2:  
Address1: 115 WEST COLLEGE DRIVE  
Address2:  
City: MARSHALL State: MN Zip: 56258- Country: US  
Assignee Partial Commercial

Filing Id: 199829036

Filing Date: 05/27/1998 11:57 AM Expiration Date: 05/27/2003 12:00 A

**Secured Party(s)**

1. Name: STANLEY H VAN ETEN  
Name2:  
Address1: 10504 TREDWOOD DR  
Address2:  
City: RALEIGH State: NC Zip: 27613- Country: US  
Secured Party Personal

Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE Address2: STE 200  
City: RALEIGH State: NC Zip: 27608- County:

Filing Id: 199829755 Filing Date: 05/28/1998 03:38 PM Expiration Date: 05/28/2003 12:00 A

**Secured Party(s)**

1. Name: JEWELS BY EVONNE INC  
Name2:  
Address1: 1879 BUFORD HWY  
Address2: SUITE 7  
City: BUFORD State: GA Zip: 30518- Country: US  
Secured Party Commercial

Filing Id: 199845152 Filing Date: 07/14/1998 04:09 PM Expiration Date: 07/14/2003 12:00 A

**Secured Party(s)**

1. Name: MAYFLOWER CAPITAL LLC  
Name2:  
Address1: 2626 GLENWOOD AVENUE  
Address2: SUITE 100  
City: RALEIGH State: NC Zip: 27608- Country: US  
Secured Party Commercial

10/20/99

Amendment Filing Id	Filing Date	Page Count	Status	Filing Id Applied	Amendment Type
199878418	10/21/98 12:00 AM	0	Verified	199845152	Termination

Filing Id: 199859479 Filing Date: 08/24/1998 04:01 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: CENTRUM BANK AG  
Name2: VADUZ  
Address1: POSTFOCH 1168  
Address2:  
City: HEILIGKREUZ 8 State: XX Zip: XXXXX- Country: XX  
Secured Party Commercial

Filing Id: 199859481 Filing Date: 08/24/1998 04:02 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: EMIL SCHATZ ST GALLEN  
Name2:  
Address1: OBERHOFSTETTENSTRASSE 67C  
Address2:  
City: SAINT GALLEN State: XX Zip: CH -9012 Country: XX  
Secured Party Commercial

10/20/99

Amendment Filing Id	Filing Date	Page Count	Status	Filing Id Applied	Amendment Type
199879423	10/26/98 12:00 AM	0	Verified	199859481	Termination

Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE Address2: STE 200  
City: RALEIGH State: NC Zip: 27608- County:

Filing Id: 199859482 Filing Date: 08/24/1998 04:03 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: ACCURATE TREUHAND UND REVISIONS AG VADUZ  
Name2:  
Address1: ABUNDT 36  
Address2:  
City: VADUZ State: XX Zip: FL -9490 Country: XX  
Secured Party Commercial

10/20/99

Amendment Filing Id	Filing Date	Page Count	Status	Filing Id Applied	Amendment Type
199879425	10/26/98 12:00 AM	0	Verified	199859482	Termination

Filing Id: 199859483 Filing Date: 08/24/1998 04:04 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: MARECO TREUHAND ANSTALT  
Name2:  
Address1: SCHLOSSWEG 24  
Address2:  
City: BALZERS State: XX Zip: FL -9496 Country: XX  
Secured Party Commercial

10/20/99

Amendment Filing Id	Filing Date	Page Count	Status	Filing Id Applied	Amendment Type
199879424	10/26/98 12:00 AM	0	Verified	199859483	Termination

Filing Id: 199859484 Filing Date: 08/24/1998 04:05 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: SCHWEIZERISCHE HYPOTHEKEN UND  
Name2: HANDELSBANK ZURICH  
Address1: BAHNHOFSTRASSE SCHUTZENGASSE 4  
Address2:  
City: ZURICH State: XX Zip: CH -8023 Country: XX  
Secured Party Commercial

Filing Id: 199859485 Filing Date: 08/24/1998 04:07 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: SCHWEIZER VERBAND DER RAIFFEISENBANKEN  
Name2: ST GALLEN  
Address1: VADIANSTRASSE 17  
Address2:  
City: ST GALLEN State: XX Zip: CH -9000 Country: XX  
Secured Party Commercial

Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE

Address2: STE 200

City: RALEIGH

State: NC

Zip: 27608-

County:

Filing Id: 199859486 Filing Date: 08/24/1998 04:07 PM Expiration Date: 08/24/2003 12:00 A

**Secured Party(s)**

1. Name: UBS AG ZURICH DIREKTION

Name2: BAHNHOFSTRASSE 45

Address1: POSTFACH

Address2:

City: ZURICH

State: XX

Zip: CH -8021

Country: XX

Secured Party

Commercial

10/20/99

Amendment Filing Id	Filing Date	Page Count	Status	Filing Id Applied	Amendment Type
199879422	10/26/98 12:00 AM	0	Verified	199859486	Termination

Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE #200

Address2:

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id:199876180 Filing Date: 10/15/1998 03:42 PM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: GARY D MCDOWELL

Name2:

Address1: 1138 ASCOTT VALLEY DR

Address2:

City: DULUTH

State: GA

Zip: 30097-

Country: US

Secured Party

Personal

---

Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVE #200

Address2:

City: RALEIGH

State: NC

Zip: 27608-

County:

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Filing Id: 199876179 Filing Date: 10/15/1998 03:41 PM Expiration Date: 10/15/2003 12:00 A

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**Secured Party(s)**

1. Name: ADVANCED EQUITIES

Name2:

Address1: PO BOX 1042

Address2:

City: WINNFIELD

State: LA

Zip: 71483-

Country: US

Secured Party

Commercial

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Name: INTERNATIONAL HERITAGE INC

Address1: 2626 GLENWOOD AVENUE

Address2:

City: RALEIGH

State: NC

Zip: 27608-

County:

Filing Id: 1286307

Filing Date: 11/30/1995 08:00 AM Expiration Date: 11/30/2000 12:00 A

**Secured Party(s)**

1. Name: EOS FINANCIAL SERVICES

Name2:

Address1: 2525 ATLANTIC AVENUE

Address2:

City: RALEIGH

State: NC

Zip: 27604-

Country: US

Secured Party

Full

Commercial

2. Name: BUSINESS CREDIT LEASING

Name2:

Address1: 115 W COLLEGE DRIVE

Address2:

City: MARSHALL

State: MN

Zip: 56258-

Country: US

Assignee

Partial

Commercial

Name: INTERNATIONAL HERITAGE INCORPORATED

Address1: 2626 GLENWOOD AVENUE

Address2: SUITE 120

City: RALEIGH

State: NC

Zip: 27608-

County:

Filing Id: 1255059

Filing Date: 08/18/1995 08:00 AM Expiration Date: 08/18/2000 12:00 A

**Secured Party(s)**

1. Name: EOS FINANCIAL SERVICES

Name2:

Address1: PO BOX 1839

Address2:

City: RALEIGH

State: NC

Zip: 27602-

Country: US

Secured Party

Full

Commercial

2. Name: BUSINESS CREDIT LEASING

Name2:

Address1: 115 WEST COLLEGE DRIVE

Address2:

City: MARSHALL

State: MN

Zip: 56258-

Country: US

Assignee

Partial

Commercial

The undersigned filing officer hereby certifies that the above listing is a record of all presently effective financing statements and statements of assignment which name the above debtors (s) and which are filed and indexed in my office as of July 03, 1967 through (Latest Indexed Date) at 5:00 p. m. Presently effective financing statements of assignment filed but not indexed on or after 10/18/1999 at 5:00 p.m are not included within this record, pursuant to G.S. 25-9-407 (2). My acceptance for filing and custody of these documents in no way confirms, denies, or implies validity, legal effect, or enforceability of the attached documents. The Department of the North Carolina Secretary of State and the undersigned filing officer assumes no responsibility for the accuracy of the contents of this record.

Elaine F. Marshall  
North Carolina Department of the  
Secretary of State

DATE: 10/20/99 By: E. Blue  
Research Officer

10/20/99